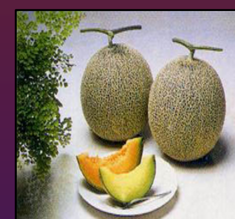
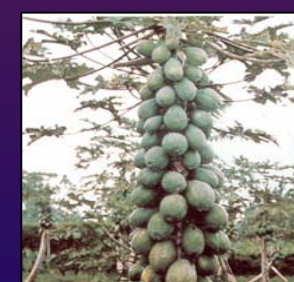
# THE MARKETING OF TROPICAL FRUITS INVOLVING SMALL GROWERS IN INDONESIA



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Director General of Horticulture
Ministry of Agriculture
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# Commercial Fruits

- Fresh Domestic Consumption :
  - Bananas
  - Citrus
  - Mangoes
  - Salacca
  - Durian
  - Pepaya
  - Rambutan
  - Water melon
  - Pineapple







  - Melon
  - Guava
  - Star fruit
  - Duku
  - Longan
  - Dragon fruit
  - Matoa
  - Avocado









# Commercial Fruits

- **Industrial needs :**
  - Pineapple
  - Soursoup
  - Citrus
  - Mangoes
  - Passion fruit

- **Export :**
  - Mangosteen
  - Mangoes
  - Bananas
  - Rambutan
  - Processed pineapple
  - Papaya
  - Star fruit





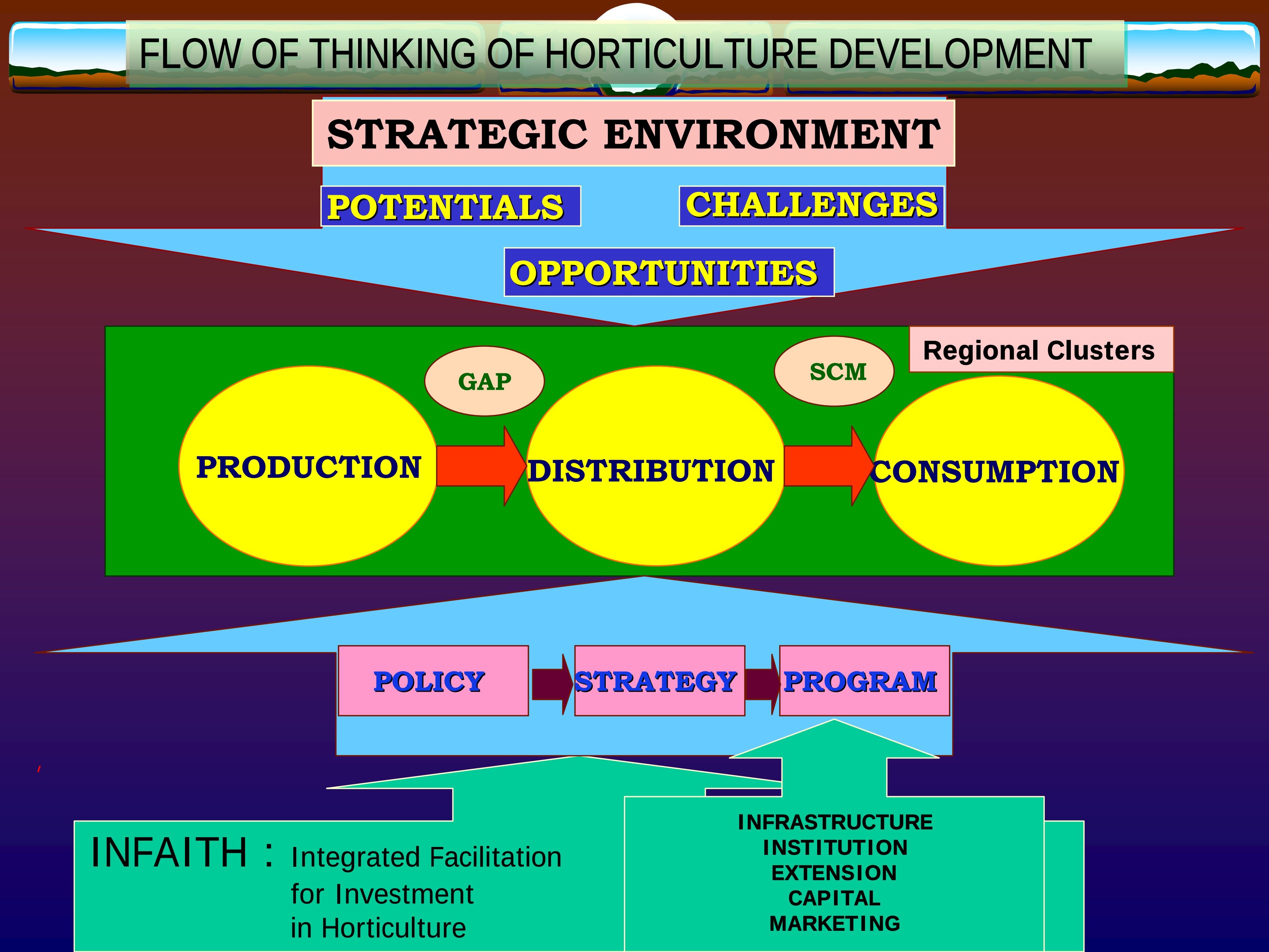




# PRIORITY FRUIT CROPS

1. Mangosteen
2. Mangoes
3. Bananas
4. Citrus
5. Durian




FLOW OF THINKING OF HORTICULTURE DEVELOPMENT
STRATEGIC ENVIRONMENT
POTENTIALS
CHALLENGES
OPPORTUNITIES
Regional Clusters
GAP
SCM
PRODUCTION
DISTRIBUTION
CONSUMPTION
POLICY
STRATEGY
PROGRAM
INFAITH : Integrated Facilitation for Investment in Horticulture
INFRASTRUCTURE
INSTITUTION
EXTENSION
CAPITAL
MARKETING

# MAIN FRUIT PRODUCTION YEAR 2001 – 2005

| Commodity | Production (tonnes) | | | | |
|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 |
| Citrus | 691,433 | 968,132 | 1,529,824 | 2,071,084 | 2,214,020 |
| Mangoes | 923,294 | 1,402,906 | 1,526,474 | 1,437,665 | 1,412,884 |
| Mangosteen | 25,812 | 62,055 | 79,073 | 62,117 | 64,711 |
| Bananas | 4,300,422 | 4,384,384 | 4,177,155 | 4,874,439 | 5,177,608 |
| Durian | 347,118 | 525,064 | 741,831 | 675,902 | 566,205 |
| Melons | 37,141 | 59,106 | 70,560 | 47,664 | 58,440 |

# Main Fruit Exporting Countries in The World, 2005

(Country of Origin & Quantity)

Sources: FAO (2005)

## Guavas, Mangoes, Mangoesteens

| No | Country | Quantity (1000 tonnes) |
|---|---|---|
| 1 | Mexico | 321.22 |
| 2 | Egypt | 134.10 |
| 3 | India | 128.63 |
| 4 | Brazil | 97.44 |
| 5 | Peru | 58.33 |
| 6 | Pakistan | 56.20 |
| 7 | Philippines | 52.90 |
| 8 | Ecuador | 37.22 |
| | Indonesia | 1.76 |

## Pineapples

| No | Country | Quantity (1000 tonnes) |
|---|---|---|
| 1 | Thailand | 1,229.12 |
| 2 | Costa Rica | 990.59 |
| 3 | Philippines | 967.08 |
| 4 | Indonesia | 466.89 |
| 5 | China | 146.80 |
| 6 | Kenya | 146.47 |

## Grapefruit and Pomelo

| No | Country | Quantity (1000 tonnes) |
|---|---|---|
| 1 | South Africa | 742.19 |
| 2 | USA | 734.55 |
| 3 | Cuba | 111.90 |
| 4 | Israel | 109.82 |
| 5 | Argentina | 100.67 |
| 6 | Turkey | 100.45 |
| 7 | Spain | 87.08 |
| | Indonesia | 0.25 |

## Tangerine, Mandarine, Clementine

| No | Country | Quantity (1000 tonnes) |
|---|---|---|
| 1 | Spain | 1,546.12 |
| 2 | China | 411.62 |
| 3 | Marocco | 303.86 |
| 4 | Turkey | 246.85 |
| 5 | Pakistan | 83.20 |
| 6 | South Africa | 74.57 |
| 7 | Italy | 54.43 |
| 8 | Argentina | 50.13 |
| 9 | Uruguay | 44.05 |
| | Indonesia | 0.09 |

# Main Fruit Exporting Countries...3

## Bananas

| No | Country | Quantity (1000 tonnes) |
|---|---|---|
| 1 | Ecuador | 4,981.31 |
| 2 | Costa Rica | 1,886.98 |
| 3 | Philippines | 1,821.17 |
| 4 | Colombia | 1,580.29 |
| 5 | Guatemala | 1,112.93 |
| 6 | USA | 546.01 |
| 7 | Honduras | 512.74 |
| 8 | Thailand | 432.15 |
| | Indonesia | 54.39 |

## Papaya

| No | Country | Quantity (1000 tonnes) |
|---|---|---|
| 1 | USA | 116.04 |
| 2 | China | 26,18 |
| 3 | Portugal | 5.73 |
| 4 | Japan | 4.08 |
| 5 | Spain | 3.59 |
| | Indonesia | 0.06 |



# Indonesia's Share in International Fruit Market, 2005

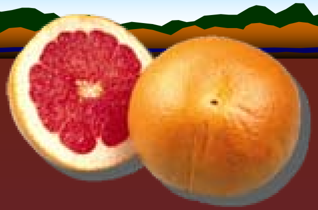


Sources: FAO (2005)

| No. | Commodity | Volume (000 tonnes) | Value (000 US$) | Share (%) |
|---|---|---|---|---|
| 1. | **Guavas, Mangoes, Mangoesteens** | 1,178.81 | 994.56 | 0.149 |
| 2. | **Pineapples** | 5,680.53 | 98.48 | 8.219 |
| 3. | **Grapefruit and Pomelo** | 3,079.68 | 14.54 | 0.008 |
| 4. | **Tangerine, Mandarine, Clementine** | 3,394.93 | 42.25 | 0.003 |
| 5. | Bananas | 1,787.84 | 1,274.98 | 3.042 |
| 6. | Papaya | 259.24 | 49.80 | 0.023 |



# Development Program



- Improvement of productivity and quality through implementation of GAP
- Improvement of existing supply chains
- Establishing new innovative SCs
- Empowering growers and marginalized traders
- Strengthening institutions
- Integrated Facilitation for Investment in Horticulture (INFAITH)





# General Fruit Supply Chain in Indonesia

Growers → Middlemen → Collectors

*(Village, District, Province)*

↓

Retailers/
Super Markets ← Suppliers ← Wholesalers

↙ ↓



Street
Vendors ← Traditional
Markets

# General Product Payment Scheme

- Cash
  - Collectors get the product by cash and carry
- Consignment
  - Farmers receive the payment after the product was sold
- Down payment
  - Farmers receive the payment at about 10 % as down payment, and 90% after the product was sold
- Loan
  - Farmers receive loan from collector and pay it with the product
- *"Ijon"*
  - Collectors buy the produce before it reach its maturity

# Fruit Market Type



- **Modern Market**
  - Hyper-market
  - Super market
  - Mini market
  - Fruit market



- **Traditional Market**
  - Peddlar
  - Street vendor
  - Wet market
  - Farmers' market
  - Fruit market

# BANANA MARKETING CHAIN



# Citrus Marketing Chain





Peddlars

Modern Market

Street vendor

Traditional Market

Suppliers

Province Retailers

Jakarta Wholesalers



Province Wholesalers

Interland Traders

District Collectors

District Collectors



Field Collectors

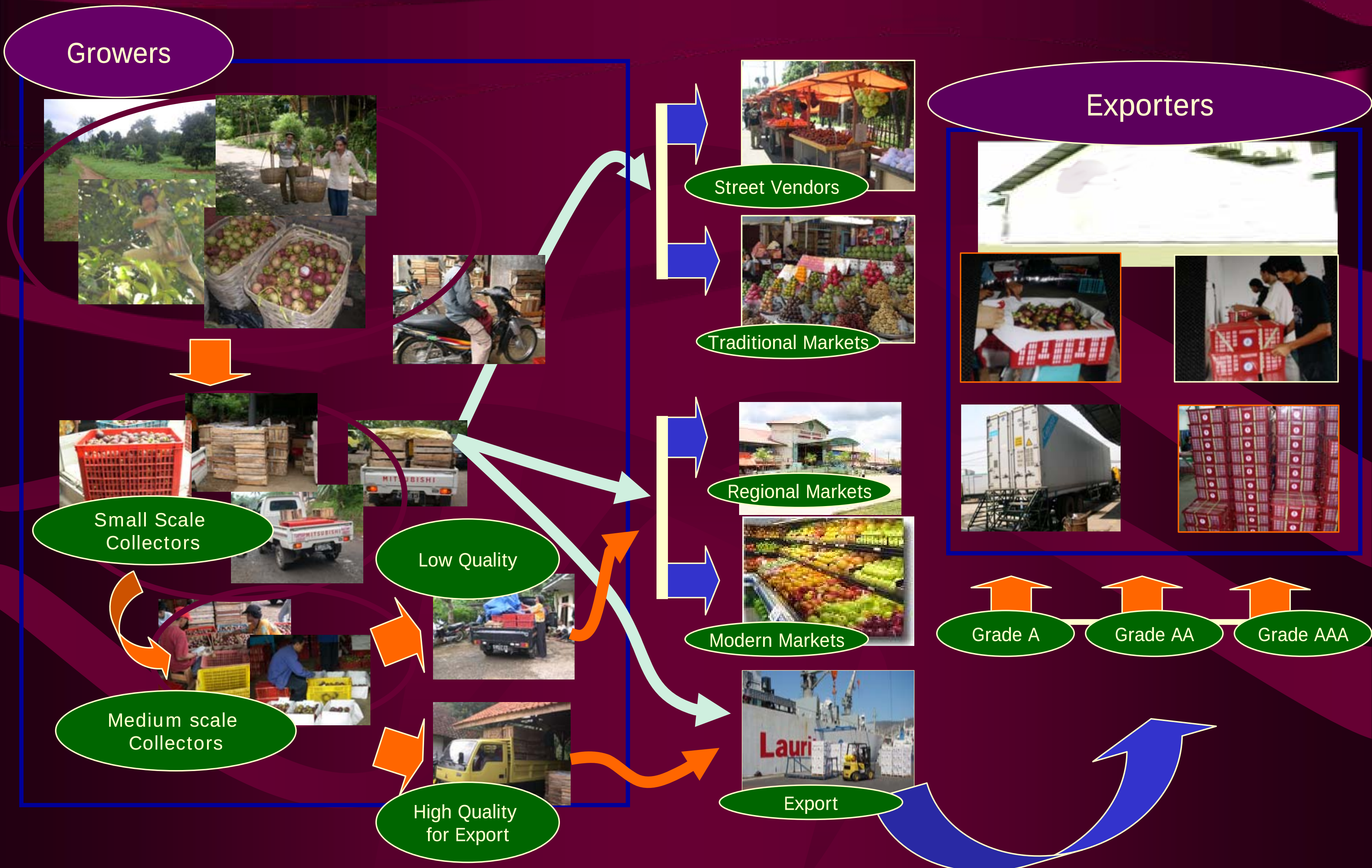
Farmers’ Groups

Citrus Growers

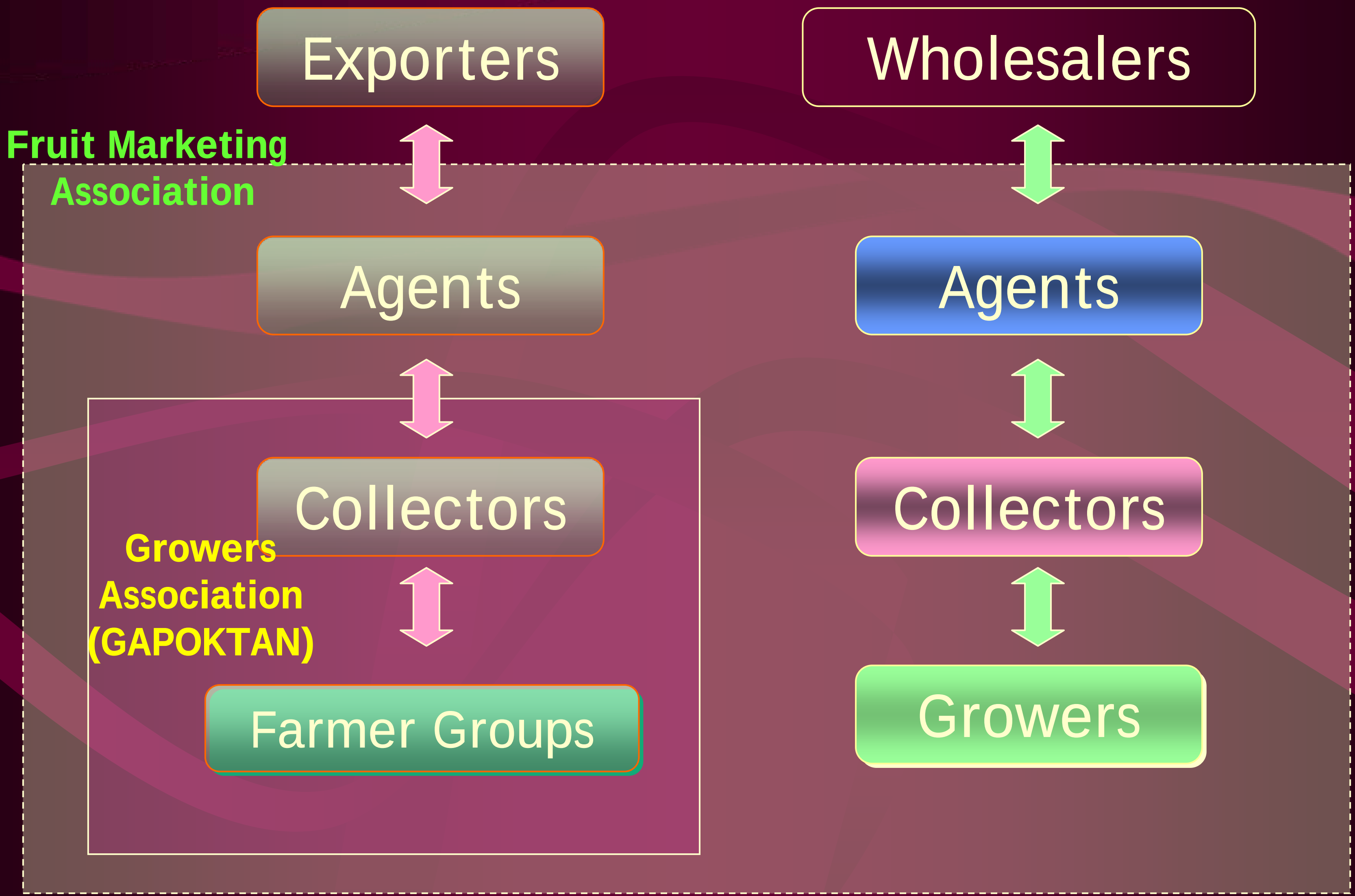
Citrus Growers

Citrus Growers

# Manggosteen Marketing Chain
# Case of Tasikmalaya



# Fruit Marketing Flow



# Supply Chain for Mangosteen Exports from Indonesia to China

## Mangosteen Supply Chain

- Order from Buyer
- Exporter Contact Suppliers
- Suppliers Contacts Farmers
- Harvest
- Suppliers Collects from Farmers and Sorts
- Transport to Packhouse & Reception
- Sorting
- Cleaning and Grading
- Packing and Loading
- Transport to Airport
- Inspection and Fumigation
- Load on to Airplane
- Flight Close
- Fligt Departure to China

## Time Lapse

- 2 hours
- 3 hours
- 6 hours
- 3 hours
- 1 hours
- 2 hours
- 3 hours
- 2 hours
- 5 hours
- 1,5 hours
- 2 hours
- 19:00
- 21:00

Total Time Lapse:
32,5 hours

## Transaction Cost

Delivered price to Exporter :
Rp. 9.000,- / Kg (US$1.00 / Kg)

Export's Handling Charges :
Rp. 4.500,- / Kg (US$0.50 / Kg)

Air Freight Charges :
Rp. (9.000,- / Kg (US$1.00 / Kg)

Exporter Margin :
Rp. 11.000,- / Kg (US$ 1.2)

Delivered Price in China :
(US$ 3.7 – US$ 4.0 / Kg)

# Characteristics of Market Information

- **Consumer's preference is only known by the wholesalers and suppliers**
- **Wholesalers is as the center of information for retailers and growers**
- **Information on the requirements do not pass through the next chain members.**
- **Growers do not recognize and are not aware of quality and safety requirements of the product**






# Indonesia Tropical Fruits






***National Asset & Proud***





Home



# Thank You











